

**ALEXANDRIA HOUSING AFFORDABILITY ADVISORY COMMITTEE**

**DATE: JANUARY 5, 2017**

**LOCATION: ROOM 2000 - CITY HALL**

**AGENDA**

1. Introductions and Chair remarks (Chair) 7:00 p.m.
2. Consideration of December 1, 2016 meeting minutes (Chair) 7:05 p.m.  
*Action Requested: Review and Approve Minutes*
3. Update on Church of the Resurrection Affordable Housing Project 7:10 p.m.  
(Helen McIlvaine/Jon Welsh)
4. Update on Rental Subsidy Program for Carpenter's Shelter (Helen McIlvaine) 7:25 p.m.
5. Housing Master Tools Update (Helen McIlvaine) 7:35 p.m.
6. Alexandria Redevelopment and Housing Authority Update (Carter Flemming) 8:00 p.m.
7. Alexandria Housing Development Corporation Update (Jon Frederick) 8:15 p.m.
8. Information Items: 8:20 p.m.  
Financial Reports (Eric Keeler)
9. Staff Updates 8:25 p.m.
10. Announcements and Upcoming Housing Meetings (Staff) 8:40 p.m.  
North Potomac Yard Small Area Plan Update  
Advisory Group Meeting, January 31, 2017, 7:00-9:00 p.m., Charles Houston Recreation Center,  
901 Wythe Street
11. Other Discussion 8:45 p.m.  
Topics of interest for future meetings
- Adjournment (Chair) 9:00 p.m.

# AFFORDABLE HOUSING ADVISORY COMMITTEE MINUTES

City Hall Room 2000 | December 1, 2016

	Members Present	Members Absent	Staff
1	Michael Butler		Tamara Jovovic, Housing Analyst
2	Katharine Dixon (m)		Cindy Metcalf, Housing Analyst
3	Carter Flemming		
4	Jon Frederick (m)		
5	Stephen Hales		
6	Bill Harris		
7		Robyn Konkell, Chair (excused)	
8		Michelle Krockner (excused)	
9	Jessica Lurz*		
10	Helen McIlvaine*		
11	Joe Ouellette		
12		Peter-Anthony Pappas (excused)	
13	Mary Parker (m)		
14	Yasin Seddiq		
15		Nechelle Terrell (excused)	
16	Eric Weiss		
17	Marian Wiggins		
18	Paul Zurawski		
19	vacant		
20	vacant		
21	vacant		
	Guests	Affiliation	Email
1	Roy Priest	ARHA	
2	Betsy Faga	Church of the Resurrection	

\*non-voting

(m) – took minutes during fiscal year

Katharine Dixon agreed to serve as chair in the absence of the Committee's Chair, Robyn Konkell. The meeting was called to order at 7:05 pm. Jon Frederick volunteered to take minutes.

## 1. Chair Remarks (Chair)

K. Dixon noted the full agenda and asked presenters to focus on housing-related items to ensure time for comments and discussion.

**2. Consideration of November 3, 2016 Minutes (Chair)**

B. Harris made a motion to approve the November minutes; J. Ouellette seconded the motion. The minutes were approved unanimously.

**3. Old Town North Small Area Plan Update (Cindy Metcalf)**

C. Metcalf provided an overview of the Old Town North Small Area Plan Update process. The original plan was adopted in 1992. The plan update, initiated in 2015, is being completed in five phases and has involved several public presentations, including a charrette. The plan has identified 18 development sites. The main housing issues include the one for one replacement of public housing units within the plan area, an increase in allowable density bonus from 20% to 30% for the provision of affordable housing within market-rate buildings, and the potential to incorporate affordable housing for artists so that they can live in the area and support its arts-focused assets (e.g., the Art League School, Metro Stage). H. McIlvaine noted that the City will be developing a policy to help evaluate future developer requests for office-to-residential use conversions.

**4. ARHA Operational Cost Challenges (Roy Priest)**

R. Priest, CEO of the Alexandria Redevelopment Housing Authority, discussed the challenges with operating public housing in the face of continual reductions in federal funding. R. Priest provided a break-even analysis which demonstrated how, under current operating subsidies, collected rent does not cover the operating expenses of many of ARHA's properties. To ensure the long-term viability of its projects, R. Priest explained that ARHA is exploring mixed-income solutions as part of its redevelopment process.

Discussion ensued over the tenant protection vouchers (TPV) that will be provided to households impacted by redevelopment. It was noted that impacted households would have the choice to use their TPVs to return to the redeveloped sites or to relocate to any other property that accepts vouchers in or outside the City. Committee members also had a conversation about the number of units that would be reserved for households earning up to 30% of the area median income as ARHA's mixed-income strategy would likely be introducing higher levels of incomes into future redevelopments of its properties.

**5. Update on ARHA RFP Sites (Roy Priest)**

R. Priest updated the Committee on the ARHA RFP process. He informed members that the first project to enter the redevelopment process would be the 90-unit Andrew Adkins site located adjacent to the Braddock Metro and that a public kick-off event was scheduled for Sunday, December 18.

**6. North Potomac Yard Update (Jon Frederick)**

J. Frederick informed the Committee that the November NPY advisory group meeting focused on affordable housing and transportation. Office of Housing staff presented the housing need in the City along with the ways in which it works to increase the supply of affordable housing. The AG was asked if they would consider increasing the density bonus for affordable housing above 20%, where feasible, and if affordable housing should be a higher priority if additional unforeseen funding became available during implementation. AG members

seemed overall to be supportive of these ideas, but expressed a desire to better understand any tradeoffs before making specific recommendations to support affordable housing above other priorities. Based on the AG's input, staff agreed to draft recommendations for the plan for the AG's future review.

**7. Eisenhower West/Landmark Van Dorn Implementation Update (Bill Harris)**

B. Harris reported that the air quality analysis, infrastructure plan, and West End Transitway were topics of conversation at the last advisory group meeting, along with a presentation on a development concept submitted by Greenhill Properties. The project would span several blocks, straddling the Eisenhower West and Landmark Van Dorn Plan areas. B. Harris also noted that a representative from Fairfax County briefed the AG on the ongoing Lincolnia Planning District Study.

**8. Alexandria Redevelopment and Housing Authority Update (Carter Flemming)**

C. Flemming stated that R. Priest had covered all ARHA updates during his two presentations.

**9. Alexandria Housing Development Corporation Update (Jon Frederick)**

J. Frederick reported that AHDC's Carpenter's Shelter would go to Planning Commission and City Council for approvals in December. He also reported that AHDC has submitted a State and Federal HTF application for the project.

**10. Update on City Strategic Plan (Tamara Jovovic)**

Housing staff noted that the draft plan had been posted online for review and encouraged Committee members to provide comments.

**11. Information Items (Helen McIlvaine)**

Staff solicited questions on the monthly financial reports.

**12. Staff Updates (Helen McIlvaine)**

H. McIlvaine provided an update on the City Council retreat, including staff's presentation regarding affordable housing. The Office of Housing is currently projecting an approximately \$12 million gap for projects in its upcoming 5-year pipeline; the pipeline includes potential preservation of large affordable housing projects that will face expiring subsidy contracts during this time. H. McIlvaine reported that City Council is supportive of affordable housing, but noted that the City must juggle many competing demands for public dollars, in particular for school capital improvements needs and stormwater and sewer upgrades.

**13. Other**

When asked for future discussion topics, Committee members noted that it would be important to understand Resolution 830 and the current 30% AMI units in the City as the next round of ARHA redevelopment projects gets started.

The meeting adjourned 8:51 pm.

HOUSING MASTER PLAN TOOL	IMPLEMENTATION STATUS				Description	Update (including next steps and challenges)
	Implemented	Subject to Reconsideration	Underway	FY18-FY25		
Programmatic Tools						
Community Land Trust			✓		Promote the development of an independent, nonprofit real property trust—Community Land Trust—to provide affordable housing through joint property ownership.	Staff continues to explore the feasibility of developing a Community Land Trust. Training and resource development are ongoing and staff will continue to consider the CLT model when new housing development opportunities arise pending development of a formal program.
Developer Fee Relief		✓			Provide fee waivers for the development review and permits for affordable housing projects.	Developers fees reviewed in Summer 2015. No further action recommended at this time. City will continue practice of providing funding for fees and infrastructure through affordable housing loans.
Home Purchase Assistance Loan Program Enhancements	✓				Enhance the City's purchase loan programs related to the acquisition of affordable housing.	<i>Items completed:</i> Limiting city purchase assistance to no more than 50% of the appraised value of the assisted property; Development of post-purchase and loan subordination guidelines; Enhanced counseling opportunities, including post-purchase training and homebuyer support; Program sustainability supported through loan repayments and diversified funding/program structures. <i>Not implemented/no longer recommended :</i> HMP recommends that city loans include a 5-year performance/eligibility review. This recommendation has not been implemented based on lender feedback indicating challenges to the loan approval and homebuyer qualification process. Some home purchase assistance loans have been converted into performing loans with performance payments being used to support new home purchase loans.
Home Rehabilitation Loan Program/ Enhancements	✓				Enhance the City's existing rehabilitation loan program related to modernizing and improving affordable housing.	<i>Items completed:</i> Program enhancements implemented to serve more households; construction loan limits increased and income limits increased to achieve consistency across federally-funded programs. Energy efficiency of existing homes is being assessed through a City-funded energy audit. The improvements recommended in the audit will be implemented when authorized by the homeowner. <i>Not implemented/no longer recommended :</i> HMP recommends that city loans include a 5-year performance/eligibility review. This recommendation has not been implemented because of the lower income levels of assisted homeowners. Staff review determined that these homeowners would be unable to make the required monthly payments on the loans and lower income homeowners may be discouraged from participating in the program if monthly loan repayments were required.
Housing Choice in New Construction and Rehabilitation			✓		Establish policies to encourage production of more units that meet the needs of the special needs and frail elderly populations in new construction and rehabilitation projects for both multifamily and single-family projects.	Promoted through housing recommendations in small area planning process. Implemented under HRLP, RAMP, and mini-RAMP currently. Additional priorities through City funding to be considered.
Public Land for Affordable Housing			✓		Develop criteria to evaluate the appropriateness of using City-owned land for affordable housing development or for co-locating affordable housing with public facilities.	Pending adoption of formal policy, City continues to provide land, when appropriate, to facilitate affordable housing development (for example, Jackson Crossing). Co-location of affordable housing with municipal facilities promoted through housing recommendations in small area plans.
Mixed-Income Affordable Assisted Living			✓		Develop residential facility with supportive services for seniors.	Housing recommendations in small area plans are inclusive of mixed-income affordable assisted living. Securing some units through development process pending further study in FY17/18.
Predevelopment Funds	✓				Grant staff discretionay authority to administratively approve requests for predevelopment funding to the greater of \$50,000/project or \$5,000/unit.	Completed in 2014

Resource Center for Affordable Housing			✓		Update and standardize housing materials and mapping resources for internal use and external communication. Track progress on housing goals and strategies through Socrata.	4 publications released in 2016. GIS database created. Ongoing work to update and standardize materials and mapping resources.
Special District to Enable Access to Historic Tax Credits				✓	Develop a nomination to the National Register of Historic Places for a multiple resource district of postwar midrise garden apartments.	Rescheduled to later phase of implementation due to limited yield potential.
Voluntary Developer Contribution Formula	✓				Work with the Housing Contribution Work Group to establish a process for and timing of implementation of new voluntary monetary contribution formula.	Completed in 2014
<b>Zoning Tools</b>						
Accessory Dwelling Unit Policy - Phase 1 (New CDD Zones) - Phase 2 (Full Program)				✓	Develop a policy that permits accessory dwelling units under certain conditions.	Deferred to later phase to accommodate anticipated demands of community engagement process.
Additional Density in Exchange for Affordable Housing	✓				Amend Section 7-700 to allow affordable housing to be located off-site, for the developer to provide a monetary contribution in lieu of units if mutually agreed, and to increase the bonus density standard from 20% to 30% if authorized by the relevant small area plan.	Approved January 2014.
Parking Requirements for Substantial Rehabilitation	✓				Exempt costs associated with the rehabilitation of affordable multifamily units from the calculation of rehabilitation costs as a percentage of value for the purpose of determining whether current parking standards are triggered.	Completed in 2014
Parking Requirement Reduction Policy for Affordable Housing	✓				Establish a policy for the reduction of parking requirements for projects that meet minimum thresholds of affordable housing.	Approved April 2015.
Transfer of Development Rights				✓	Explore opportunities to develop a TDR program to target the preservation of existing market-affordable housing.	Deferred to later phase to accommodate anticipated demands of community engagement process.
<b>Financial Tools</b>						
General Fund Direct Allocation Support - Annual Lump Sum Appropriation - Increased Dedicated Real Estate Tax Revenue - Tax Increment Funding			✓		Increase direct General Fund support for affordable housing.	FY17 budget included general obligation bond authorization.
Tax Abatement for Substantial Rehabilitation				✓	Enact a policy that provides a form of tax abatement for the rehabilitation of affordable housing.	Contingent upon state enabling legislation and local policy development. Discuss with City management opportunities to evaluate and potentially implement tool in future implementation phase.
Loan Consortium		✓			Develop an independent entity that brings together the City, lending industry, and private investors to provide loans for affordable housing.	City participation now envisioned to be pursuant to regionally-convened effort.
Loan Guarantees				✓	Subject to underwriting, selectively utilize the City's credit and/or credit rating to guarantee third-party loans for affordable housing.	

## Housing Opportunities Fund Financial Status

As of November 30, 2016

	HTF	General Fund	HOME and Match	Tax Revenue	Authorized Bonds	TOTAL
<b>Balance as of October 31, 2016</b>	<b>5,028,025</b>	<b>0</b>	<b>1,740,601</b>	<b>1,329,584</b>	<b>6,800,000</b>	<b>6,768,626</b>
<b>November 2016 Expenditures</b>						
Alexandria Housing Development Corporation (AHDC)						0
AHDC Carpenter's Shelter						0
AHDC King and Beauregard						0
ARHA Ramsey						0
<b>Balance Available Before Outstanding Commitments</b>	<b>5,028,025</b>	<b>0</b>	<b>1,740,601</b>	<b>1,329,584</b>	<b>6,800,000</b>	<b>6,768,626</b>
<b>Outstanding Commitments</b>						
Alexandria Housing Development Corporation (AHDC)	144,750	0	0	0	0	144,750
AHDC King and Beauregard	2,722,016	0	460,877	571,584	1,600,000	5,354,477
AHDC Carpenter's Shelter	69,308	0	159,296	0	0	228,605
AHC Inc. Fillmore	1,582,246	0	1,120,426	0	0	2,702,672
AHC Inc. Church of the Resurrection	400,000	0	0	0	0	400,000
ARHA Ramsey	29,542	0	0	0	0	29,542
Fees for Professional Services	41,850	0	0	0	0	41,850
<b>Unreserved Balance as of November 30, 2016</b>	<b>38,313</b>	<b>0</b>	<b>0</b>	<b>758,000</b>	<b>5,200,000</b>	<b>5,996,313</b>

## Housing Trust Fund Programs Financial Status

As of November 30, 2016

<b>Balance as of October 31, 2016</b>	<b>8,912,002</b>
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<b>Revenues for November 2016</b>	<b>Totals</b>
Contributions	0
Loan Repayments	
Moderate Income Homeownership Program (MIHP)	1,848
Employee Homeownership Incentive Program (EHIP)	2,715
Mutlifamily Loan Repayments	482,271
Fees Offsetting Expenditures	450
	<b>487,285</b>

<b>Expenditures for November 2016</b>	
Flexible Homeownership Program	0
Homeownership Counseling	(1,321)
Rebuilding Together Alexandria	0
Housing Opportunities Fund - <i>see attached report</i>	0
Rental Accessibility Modification Program (RAMP)	(10,540)
	<b>(11,861)</b>

<b>Balance Available Before Outstanding Commitments/Reservations</b>	<b>9,387,426</b>
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<b>Outstanding Commitments/Reservations as of November 30, 2016</b>	
Braddock Small Area Plan Fund	834,080
Flexible Homeownership Program	769,790
HOME/HOF Match	387,799
Homeownership Counseling	117,566
FY 2018 Budget Reservation	400,000
Housing Opportunities Fund - <i>see attached report</i>	5,028,026
RTA	0
Rental Accessibility Modification Program (RAMP)	2,729
	<b>(7,539,989)</b>

<b>Unreserved Balance as of November 30, 2016</b>	<b>1,847,437</b>
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